

thereof for the first calendar year, 50 cents for the second, third, fourth and fifth calendar years, and \$1 for each calendar year thereafter. Rental is payable annually on or before January 1. The rental paid for any year shall be credited against the first royalties as they accrue under the lease during the year for which rental was paid.

(b) If the annual rental is not timely remitted, the lessee shall be notified by the authorized officer that, unless payment is made within 30 days from receipt of such notification, action shall be taken to cancel the lease. (See § 3509.4-2).

(c) Remittances of rental shall be made in accordance with § 3503.1 of this title.

§ 3571.2-2 Production royalty.

All leases shall be conditioned upon the payment to the United States of such royalties as may be specified in the lease, which shall be fixed by the authorized officer in advance as provided under § 3503.2-1 of this title, but shall not be less than 25 cents per ton of 2,000 pounds of marketable production.

§ 3571.3 Duration of lease.

The lease shall be issued for an initial term of 20 years subject to a preferential right in the lessee to renew for a 10-year term at the end of the initial term and at the end of each 10-year period thereafter.

§ 3571.4 Bonds.

Prior to issuance of a lease, the applicant shall furnish a bond in an amount to be determined by the authorized officer, but not less than \$5,000 (See subpart 3504).

§ 3571.5 Special stipulations.

To insure adequate utilization and protection of the lands and their resources, leases shall contain such stipulations as may be prescribed by the authorized officer or the responsible official of the surface management agency if the surface is not under Bureau jurisdiction as described in § 3500.9 of this title (See also part 3580).

§ 3571.6 Other applicable regulations.

Leases issued under this part shall also be subject to the conditions set forth in other regulations, including, but not limited to, the following:

(a) Minimum annual production and minimum royalty are covered by § 3503.2-2 of this title;

(b) Suspension of operations and production and suspension of operations are covered by § 3503.3 of this title;

(c) Assignments and subleases are covered by subpart 3506 of this title;

(d) Cancellation and relinquishment are covered by subpart 3509 of this title;

(e) Exploration and mining are covered by part 3590 of this title; and

(f) Royalty management is covered by 30 CFR Chapter II, Subchapter A.

Subpart 3574—Competitive Leasing

§ 3574.1 Lease by competitive bidding.

Leases may be offered competitively under this part without regard to the quantity or quality of the mineral deposit in the lands subject to the lease. A competitive lease sale may be initiated either through an expression of interest or on Bureau motion.

§ 3574.2 Surface management agency.

Prior to competitive lease offering, the surface management agency shall be consulted in accordance with § 3500.9 of this title, as applicable.

§ 3574.3 Sale procedures.

§ 3574.3-1 Publication and posting of notice.

Prior to a lease offering, the authorized officer shall publish a notice of lease sale for at least 3 consecutive weeks in a newspaper of general circulation in the area in which the lands are situated. The notice of lease sale shall be posted for 30 days in the public room of the proper BLM office.

§ 3574.3-2 Contents of notice.

The lease sale notice shall include:

(a) The time and place of sale;

(b) The bidding method;

(c) A description of the tract being offered;